



Onyx Spirits Company, LLC

64D Oakland Avenue | East Hartford, CT 06108 | 860.550.1939 | www.onyxspirits.com

Adam von Gootkin – Onyx Spirits Co. & CSBC Testimony

- **Company Introduction**

Adam von Gootkin, co-founder of Onyx Spirits Company, the producers of Onyx Moonshine and president of the Connecticut Small Brand Council. Onyx Spirits Company is a Connecticut distillery located in East Hartford, CT. The company was launched in 2011 and saw growth in the last year far exceeding expectations. Onyx Spirits Co. received a DECD Small Business matching grant as well as a DECD loan to further hiring, expand production, and relocate to a new larger facility. Onyx Spirits Co. currently employs 8 full time employees with 4 additional as part time, and expects to have 12 full time employees by the end of this year. Distribution of Onyx Moonshine has expanded to Massachusetts and Rhode Island, with a launch in New York planned for next month. Current plans are in development for export of Onyx Moonshine to Canada, markets in Latin America, and the United Kingdom.

- **Support of HB6211 regarding the offering and tasting of distilled spirits in their place of manufacture.**

Breweries and wineries are able to taste their products to potential customers and this bill would expand to allow for the tasting of our moonshine in the Onyx Spirits Company facility. Currently, if a consumer, distributor, restaurant owner, or liquor store owner visits Onyx Spirits Co, they are not allowed to taste the product. This is a major problem for obvious reasons. This bill would not only allow Onyx Spirits Co. to compete more fairly with brands in other states, but has the potential to help create tourist destinations for all distilleries located in Connecticut.

- **In Opposition of HB6361 concerning fair alcohol pricing.**

Since launching Onyx Spirits Co. in 2012, Connecticut has provided an exceptionally fair marketplace for a small spirit brand to be successful. The current laws in Connecticut have made this venture a viable one. At first, stores were reluctant to bring Onyx Moonshine in, out of fear that it might not sell. By allowing for the sale of single bottles, with a minimum bottle pricing, Onyx Moonshine was able to successfully launch into the marketplace and compete with large, well established brands. This has allowed Onyx Spirits to expand into new counties throughout Connecticut and subsequently surrounding states. The resulting profitability has meant further investment in a long term location in East Hartford, the hiring of new employees, and the sale and export of a Connecticut made product out of the state. Minimum bottle pricing has accomplished the following:

- *Helped Onyx Spirits Co. nurture Onyx Moonshine as a premium brand.*
- *Enabled Onyx to be sold for a price that kept the business viable and allowed for the funding further growth, expansion, and hiring.*

As we continue expanding, Onyx Spirits Co. is only looking at expanding to markets that are friendly to smaller, craft brands. State-wide, 30% of Onyx Moonshine sales was by the bottle in 2012, not by the case. The sales of which have generated over \$42,500 in state excise tax. Removal of minimum bottle pricing would likely have an extremely severe impact on Onyx Spirit's growth in the future.

If Onyx Spirits Co. can't be successful and profitable here at home first, the company certainly can not be profitable in other markets.

This is about not only about surviving as a thriving local company, but about maintaining a healthy, diverse local spirits marketplace that gives consumers options. When you consider that the majority of spirit brands are owned by foreign, multi national corporations, you'd likely agree that it is critical Connecticut can continue to create a friendly business atmosphere for local craft brands and provide them with a fair avenue where they can be successful if the product is deemed worthy by consumers.